

# Vission mission statement of herohonda



**ASSIGN  
BUSTER**

In 1973, when Mohan boarded a second class compartment of the Jayanti Janata Express to Mumbai (Bombay) from Thrissur in Kerala in South India in search of a job, little did he realize that he would be known as ' Good Knight Mohan in a few years' time. Jobs came easy to this young new Electrical Engineer, but he was not satisfied. After switching jobs twice, Mohan started a trading firm to deal in ceramic insulators. While this paid for his livelihood, he experimented with the design and production of indigenous diapers from his flat in Kalina. Sales were limited and market never picked up for want of perfection.

Also many people did not know then what a diaper was all about. In 1981-82, when electrical equipment industry went through a bad patch Mohan had to sell his insulator business. It was at that time that he was looking for a safe anti-mosquito repeller to protect his little daughter from mosquito bites and sleepless nights. He finally located an effective repeller in the form of a paper mat under the brand name Vape in one of the shops in Mumbai. Although the shop-keeper did not show much interest in selling it apparently to avoid any risk of non-performance of an unknown product, Mohan bought it as he wanted to try it out.

The next day itself Mohan felt that it would be a high successful product if it were marketed well and he soon took over the distributorship of the little known Vape. Although Mohan was convinced about the future prospects of Vape, the managing director of the company did not give him any support in terms of advertisement and reliable distribution. It was when Vape started fading away that he decided to explore possibilities of starting a firm of his

own to manufacture mosquito mats in collaboration with Sumitomo of Japan.

### Technology and financing

His attempts to collaborate with the Sumitomo group of Japan which had a monopoly of the technical materials, was faced with obstacles. He met their liaison officers in Mumbai several time. They were polite but asked him to wait for some more time before they could make up their mind. After several futile attempts Mohan felt it was becoming an unending waiting. There was still no firm response from Japan although he knew that they were keen on an Indian collaboration. Finally he flew down to Osaka in 1983 on a courtesy ticket obtained through his wife who was working for the Air India then.

He phoned up the corporate office of Sumitomo from his hotel room and sought an appointment. The very next day he met senior officials of Sumitomo who, to much a surprise, had preserved all the correspondence he had made for the purpose of collaboration. Soon Mohan returned to Mumbai with an agreement for the supply of the technical ingredient called allethin for the manufacturer of mosquito repeller mats, and the single equipment for dipping allethrin. They did not give him any credit. Further, Sumitomo was free to supply the material to anyone else in India.

Another, major hurdle was yet to be crossed. It was finance, and he did not have any money with him. His friends and family members who had supported him in experimental diaper business could not help him. His banker with whom he had long years of association dilly-dallied for eight months with his loan application before finally rejecting it. In the mean time the Sumitomo machine had arrived in Mumbai airport and was lying idle

there. His loan application was rejected by almost 30 banks and financial institution on grounds of non viability.

Finally, in 1984 one private financier offered to lend Rs. 0. 20 million @ 5 % interest PM, taking Mohan's flat as collateral. Since he had no other option open he took it and got the machinery released from the airport. The financier's son offered funds for purchase of raw material on a condition that he be given sole Distributorship of Good knight. In mid 85 the father-son franchisers came with a proposal of 50% stake in the company, lest they would pull out immediately from the business, and Mohan have to settle their accounts forthwith.

Though he was pushed to the wall, he did not give up. Finally, on hearing his story a loan officer of the Bank of India who had provided him with a credit facility of Rs 0. 5 million earlier agreed to bail him out. The total liability that Mohan had with the bank of India came to Rs. 2. 10 million after settling his dues with the private financiers. HE had promise to repay the bank by November 1985. It was mid 85 and a personally known advertising agency made a television advertisement for Rs. 0 . 50 million and on 45 days credit.

The first television commercial of Good Knight came on 31st July 1985; only large reputed company advertised these days. Product To drive mosquito away people had been using an organic coil which emitted smoke on lighting. Yet another method followed was use of skin ointments.

Transelektra Domestic Products introduced Good Knight as a substitute to all such mosquito repellens. Operationally it was simple. A rectangular light blue colored paper mat of 3. 5 cm x 2 cm is electrically heated at 106 degree C

temperature using a heating element to inactivate mosquito. A mat is effective for eight hours when heated this way.

In order to maintain temperature at the specified level, they used Electronic Mosquito Destroyer (EMD) which worked on imported thermistors. An EMD consisted of a plate to seat the mat, a thermistors to heat the mat, a plastic cover and an entire wire. Transelektra got EMDs assembled through sub-contractors using imported thermistors from Sumitomo from Japan. They have had three sub contractors since beginning. These were started and owned by people known to Mohan. In, 1992, they were paid fifty paise per piece in terms of labour charges as it involved only manual assembling .

Later in 1992, they started manufacturing 70, 000 thermistors a year in Bangalore using indigenous raw materials. The rest of their requirements were met through import from Japan, and later from Italy too. Harpanhali who was Mohan's colleague in his earlier job made a research break through for them by developing the raw material used in the manufacture of thermistors, otherwise called tablet. He had settled down in Bangalore, and after this development his laboratory was converted into a factory to produce light weight and compact thermistors.

He joined the company as the factory manager there. Lakshmanan, a supervisor in the Mumbai factory who started his career as a typing assistant to Mohan, mentioned that Transelektra was the only firm which made thermisters in India. Indigenization of thernistors brought their cost down by a third to Rs. 12. besides, several problems of import such as restrictions on foreign exchange release by the Reserve Bank of India, and carrying of about

five months' inventory could be avoided. Most competitors used cheaply available ordinary heating elements.

Mohan mentioned that a few cheap imitators of Good Knight EMDs without thermistors were available in the market and they often had to get police help to stop them. In any case, the effect of initiation was not substantial. The production process was simple. It started with cutting an easily available special type paper into the size of a mat and impregnating it with the brand name ' good night'. This job was sub-contracted and Tran Elektra received impregnated mats. The next stage involved adding specified drops of a mixture of chemicals which include allethrin, evaporator, fragrant etc. o the mats with the help of a small machine. Mats were manually placed on a slowly moving conveyer belt above which a burette carrying the chemical mixture was placed. It was adjusted in such a way that only a drop of the chemical mix would fall on each mat. It took ten hours for the blue colored chemical spread uniformly on the mat.

Mats were than individually packed into strips of ten using thin transparent plastic sheets. Samples of mats were weighed before and after the addition of chemicals, and samples of finished mats were tested for quality in a mosquito chamber in their laboratory located in the head office. Mohan never compromised on quality"; said Lakshmanan . In 1992, they had introduced EMD'S in blue and red colours. They had also reduced the size of packing. The factory consisted of a three storied block with a total area of 6, 500 sq ft. The ground floor housed the store, and the other two floors production. They had four dipping machines- two, six- track and two, three-track, three of which were locally fabricated using the design of the imported <https://assignbuster.com/vission-mission-statement-of-herohonda/>

machine. Each of the two six-track machines could produce 6 000 boxes of 30 mats each and the three-track machines 3 000 boxes each per shift.

They used to operate three shifts a day but switched over to single shift in 1991. The installed capacity was 10 000 boxes per day in 1985. Wastage in terms of defect etc. constituted about ten percent which anyway was not a source of concern to them, said Lakshmanan . Finished mat remained in stock for a day. They opened a new factory in Chennai (Madras) in 1991, where the factory space was expanded from 5, 000 to 8, 000 sq. ft with in a year. 50 out of 100 employees were contract workers. Production capacity of Chennai Units was 70, 000 boxes of mats per day